

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 8/9/2016	(3) CONTACT/PHONE Tony Navarro, Planner III / (805) 781-5787	
(4) SUBJECT Hearing to consider a request by Grid Alternatives to extend the time within which it may use the remainder of the previously-approved waiver of building permit fees to include an additional five year period (2016-2021) for individual affordable residential photovoltaic system installations. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution approving a 5-year fee waiver for up to \$48,000 for the next five years (2016-2021).			
(6) FUNDING SOURCE(S) General Fund support	(7) CURRENT YEAR FINANCIAL IMPACT \$48,000.00 (five year period)	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>30 min</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>August 23, 2011</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building/Tony Navarro, Planner III

VIA: Trevor Keith, Deputy Director, Policies and Programs

DATE: 8/9/2016

SUBJECT: Hearing to consider a request by Grid Alternatives to extend the time within which it may use the remainder of the previously-approved waiver of building permit fees to include an additional five year period (2016-2021) for individual affordable residential photovoltaic system installations. All Districts.

RECOMMENDATION

It is recommended that the Board adopt the attached resolution approving a 5-year fee waiver for up to \$48,000 for the next five years (2016-2021).

DISCUSSION

Grid Alternatives is a nonprofit organization that has been operating in San Luis Obispo County since 2011. Through the Single-Family Affordable Solar Homes program (SASH) administered by the California Public Utilities Commission, Grid Alternatives provides free solar photovoltaic installation services to low income homeowners. They also provide hands-on training programs to those who would like to learn how to install solar panels and find a job in the solar industry. Grid Alternatives' mission is to empower communities in need by providing renewable energy, energy efficiency services, and helping to train new solar workers. Since 2011, Grid Alternatives has assisted a total of 91 low income homeowners with free solar installations.

Grid Alternatives handles each solar installation project from start to finish. Their outreach coordinator collaborates with local agencies to identify, educate and enroll low income homeowners into the SASH program. Once the homeowners sign up with the SASH program, Grid Alternatives performs systems design and engineering, obtains building permits, installs the solar photovoltaic system, and prepares and submits solar rebates.

On August 23, 2011, the Board approved a request by Grid Alternatives to receive building permit fee waivers of up to \$100,000 for a five-year timeframe starting from 2011 to 2016. During the past five years, Grid Alternatives used a little more than half of the \$100,000 in fee waivers that the Board approved in 2011. As the fee waiver contract between the County and Grid Alternatives will expire on August 23, 2016, Grid Alternatives is asking for another 5 year time extension to use the remainder of the \$100,000 fee waivers (approximately \$48,000).

Permit Fee Waiver Performance (2011-2016)

From 2011 to 2016, the County issued Grid Alternatives fee waivers on 91 building permits for solar installations. The County applies a fee waiver of approximately \$572 to each permit. Grid Alternatives pays the remaining amount (an average of \$11 per permit). The estimated total savings for Grid Alternatives and property owners to date is approximately \$52,052 (91 permits).

Fee Waiver Request (2016-2021)

Grid Alternatives is requesting for another 5 year time extension to use the remainder of the \$100,000 fee waivers (\$48,000) that the Board approved in August 2011.

Fee Waiver Criteria

The fee waiver criteria are adopted as part of the County Fee Schedule by the Board of Supervisors. Projects must meet the following specific criteria to be eligible for a fee waiver: 1) be available for use by the public at large and have a high likelihood of benefitting the public at large and not just residents in the immediate vicinity, and 2) will be of obvious public benefit (including, but not limited to the following examples):

- Meets a need previously identified or recognized by the Board of Supervisors,
- Replaces a facility that previously provided a public benefit,
- Provides a facility not presently available in the community,
- Has generated substantial, obvious community support, or
- Would reduce other County costs or increase other County revenues.

The Planning Director determined that the SASH program by Grid Alternatives meets the above criteria for the following reasons:

1. Based on cumulative impacts of solar system installations over a longer time period, the community "at-large" will benefit from improved air quality as each solar installation reduces approximately 60 tons of greenhouse gas (GHG) emissions into the atmosphere. This cumulative impact positively contributes to the goals of the County's Climate Action Plan.
2. The reduced electricity bills for the low income homeowners translate into more disposable income that a low income homeowner can use to spend on groceries, home repairs and etc. Each low income homeowner will save about \$25,000 over a 25-year lifetime of the solar photovoltaic system. This is considered an immediate benefit and is in keeping with the County's vision of creating a healthy community. This vision states that the County will strive to ensure all people in the community enjoy healthy, successful and productive lives and have access to the basic necessities.
3. The solar system installations and energy efficiency retrofitting services boosts property values for low income homeowners countywide. This is in line with the County's vision of creating a prosperous community. This vision mentions the County will strive to keep the economy strong and viable and assure that all share in this economic prosperity.
4. The solar installation projects help train new solar workers who are entering into the solar industry. These hands-on solar installation trainings generate economic benefits for the County, which is consistent with the County's vision of creating a prosperous community.

The Grid Alternatives SASH program is eligible to receive permit fee waivers based on the numerous benefits this program provides to the community. The previous fee waiver request in 2011 was approved by the Board because the program met the specific criteria. Refer to Attachment 3 (August 23, 2011 Staff Report) to learn more about the original fee waiver request and staff analysis resulting in the Board approval of the initial fee waiver request by Grid Alternatives.

Fee Waiver Recommendation

If Grid Alternatives receives a time extension for another five years from 2016 to 2021, it would give them enough time to use the rest of the \$100,000 that the Board approved in 2011. The remaining approximately \$48,000 in fee waivers for the next five years will support operations to help Grid Alternatives with installing solar systems for approximately 62 low income homeowners in the county. Based on the four reasons mentioned under the "Fee Waiver Criteria" section, the Planning Director determined that this project qualifies for permit fee waivers. Therefore, staff recommends approving the fee waivers of \$48,000 for Grid Alternatives for the next five years from August 2016 to August 2021.

OTHER AGENCY INVOLVEMENT/IMPACT

County staff consulted with Grid Alternatives. County Counsel reviewed and approved the attached resolution as to its form and legal effect.

BUSINESS IMPACT STATEMENT

A Board action to approve the fee waiver request by Grid Alternatives will contribute to the Building Design and Construction industry as the SASH program will help train new solar workers for the solar construction industry. The benefits generated from installing free solar systems include lower homeowner monthly electricity bills which results in more disposable income for homeowners.

FINANCIAL CONSIDERATIONS

If the Board approves the request by Grid Alternatives to extend the time within which it may use the remainder of the previously-approved waiver of building permit fees (approximately \$48,000) for another five years (2016-2021), the Planning and Building budget would cover the cost of permits. If the Board does not approve the fee waiver request, Grid Alternatives will be responsible for the full cost of building permit fees.

RESULTS

The result of this hearing will help determine if Grid Alternatives could receive fee waivers of up to approximately \$48,000 over a five year period (2016-2021). The fee waivers allow Grid Alternatives to save on operational costs and to continue operating the SASH program (i.e. free solar photovoltaic system installations for low income homeowners) in the unincorporated areas of the county. The SASH program by Grid Alternatives will further the Communitywide Indicators of the Prosperous Community and the Healthy Community because this program provides the four major benefits listed under the "Fee Waiver Criteria" section.

ATTACHMENTS

1. Attachment 1 - Board of Supervisors Resolution
2. Attachment 2 - Grid Alternatives Letter
3. Attachment 3 – August 2011 Staff Report
4. Attachment 4 – August 2011 Resolution